

REGISTRATION NO. 8246-9
OCT 7 1988 - 10 40 AM
INTERSTATE COMMERCE COMMISSION

TERMINATION, DATED AS OF AUGUST 12, 1988,
OF RAILROAD EQUIPMENT LEASE AGREEMENT BETWEEN
ITEL RAIL CORPORATION, AS SUCCESSOR IN INTEREST TO
SSI RAIL CORP. AND ITEL CORPORATION (THE "LESSEE") AND
MANUFACTURERS HANOVER LEASING CORPORATION (THE "LESSOR")

Rec'd
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WHEREAS, Lessee and Lessor are parties to a Railroad Equipment Lease Agreement dated June 28, 1977, as amended (as amended, the "Lease") pursuant to which Lessor has leased to Lessee certain units of railroad equipment scheduled and described therein (the "Cars"); and

WHEREAS, Lessor as seller, and Lessee as purchaser, are parties to a purchase and sale agreement (the "Purchase and Sale Agreement") dated as of the date hereof, pursuant to which Lessor has agreed to sell to Lessee all of the Cars which exist as of the date hereof; and

WHEREAS, Lessor and Lessee desire to terminate the Lease.

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. The Lease is hereby terminated, effective as of the date hereof, and Lessee shall have no obligations thereunder after the date hereof, except that all obligations of Lessee, the terms of which expressly provide that such obligations shall survive any termination of the Lease, shall survive. Lessor hereby acknowledges that Lessee has performed all its rent payment obligations under the Lease and, to the best of Lessor's knowledge, all Lessee's other obligations under the Lease (including indemnity obligations), through and including the date hereof. Lessee hereby acknowledges that, to the best of Lessee's knowledge, Lessor has performed all its obligations under the Lease through and including the date hereof.
2. This Termination shall be governed by the laws of the State of New York without regard to its conflict of laws provisions, but the parties shall be entitled to all rights conferred by the Interstate Commerce Act.

ITEL RAIL CORPORATION

By Robert K. Kline

Title VP Finance

Date 8-8, 1988

MANUFACTURERS HANOVER LEASING CORPORATION

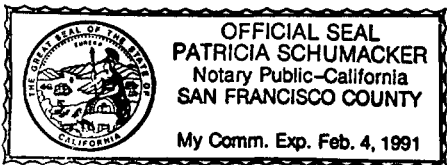
By [Signature]

Title S.V.P.

Date 8-9, 1988

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN FRANCISCO)

On this 8th day of AUGUST, 1988, before me personally appeared Robert C. Kiehle, to me personally known, who being by me duly sworn says that such person is Vice President of IteL Rail Corporation, that the foregoing Termination of Railroad Equipment Lease Agreement was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Patricia Schumacker
Notary Public

STATE OF)
) ss.
COUNTY OF)

On this _____ day of _____, 1988, before me personally appeared _____, to me personally known, who being by me duly sworn says that such person is _____ of Manufacturer's Hanover Leasing Corporation, that the foregoing Termination of Railroad Equipment Lease Agreement was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On August 9, 1988, before me, the undersigned,
a Notary Public in and for said State, personally appeared
THOMAS COLEMAN BLOCH, proved to me on the basis of satisfactory
evidence to be the person who executed the within instrument
as Senior Vice President on behalf of MANUFACTURERS HANOVER
LEASING CORPORATION, the corporation therein named, and acknowledged
to me that such corporation executed the within instrument
pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

Signature: _____

Jeana Garcia

[Notarial Seal]

